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Spotlight

ON FOREIGN MARKETING

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TO FAS MARKET DEVELOPMENT COOPERATORS AND AGRICULTURAL ATTACHES

7/21/64

Season's Greetings

TO THE MARKET DEVELOPMENT COOPERATORS

During this joyous holiday season we
in FAS want to express our apprecia-
tion for your cooperation and helpful
assistance in market development,
and to wish you and your families a
most Merry Christmas and Happy New
Year.

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MAY 7 1965

C & R-ISE

Raymond A. Toares

DECEMBER 1964

PROJECT SIGN-UP LAGGING

Cooperators are urged to get their proposed fiscal '65 projects to FAS at the earliest possible date. With five months of the year gone, less than 25 percent of the 1965 appropriation has been signed up.

SOYBEAN COUNCIL MOVES OFFICE TO WASHINGTON AREA

The Soybean Council of America, effective December 1, is moving its U.S. office from Waterloo, Iowa to the Washington area. The new address is:

Soybean Council of America, Inc.
1401 Wilson Boulevard
Arlington, Virginia 22209

COTTON COUNCIL LAUNCHING PROTOTYPE CONSUMER CAMPAIGN

Cotton Council International is launching a prototype consumer marketing campaign in the Netherlands.

Research on the test program started over a year ago following recommendations of the Cotton Evaluation Team. Read Dunn, Executive Director, CCI, reported on its progress and development at an October 27 FAS/Washington market development liaison meeting.

The project is hoped to be a model for programs in other countries to stimulate increased cotton consumption. Cotton's share of the total fibers market has been slipping in recent years, due mainly to the increased production and consumption of man-made fibers. The promotional expenditures for these fibers in Europe alone is now estimated to be about \$45 million annually.

The Netherlands was selected as the test area, because of its small size, concentration of organized industry and trade, and established media and service agencies. Market research studies were made to determine: the structure and organization of the market, the industry, and the distribution system; the quantitative and qualitative aspects of the market for cotton and competitive products; and consumer knowledge, attitudes, and motivations about cotton and competing products.

From all this, two main objectives were established: (1) To improve the image of cotton (to improve the knowledge of, and attitude toward cotton by consumers); and (2) To stimulate trade and industry cooperation (to encourage manufacturers to produce more good quality, fashionable cotton products, to identify them and to encourage both manufacturers and distributors to greater sales promotion efforts).

The program will consist of a series of direct consumer advertising campaigns for six representative products groups—household textiles, leisure wear, children's clothes, dresses

(teenager), skirts and blouses, and curtains (velour). All campaigns will be under the generic theme "Comfortable Carefree Cottons - the Fiber You Can Trust", and will be built around an emblem that will become the symbol of the promotions. The theme will be highlighted by national advertising in the leading women's magazines. The national advertising will provide the art work and theme for point-of-sale materials and sales aids for the dealers to use in their merchandising. The ads will also be the basis for direct customer mailings and handouts.

Retail promotions will be an important part of the program. Retailers will be given point-of-sale materials and encouraged to place newspaper ads in connection with special in-store exhibits and store window displays. The technique will be to offer the local papers a quarter page banner ad provided it will get individual stores to take the rest of the page.

The entire program will be on a cooperative basis with the local trade and industry agreeing to pay at least half of the costs. On all cooperative advertising, the Dutch Cotton Institute will pay 1/16 of the basic costs, CCI 3/16, and the trade and industry at least 12/16.

The program is now being offered to the Dutch trade and industry, and the Cotton Council is optimistic of widespread participation. Based on the experience gained in the Netherlands, the program will be revised and adapted for possible use in other cotton importing countries.

WORLD FOOD BUDGET - 1970

World prospects for food production and agricultural trade are outlined in a 103-page Department of Agriculture report, The World Food Budget - 1970.

Following are some of the highlights of the report:

Two-thirds of the world's people continue to live in countries with nutritionally inadequate national average diets.

Some progress is expected in the diet-deficit area during the rest of this decade. The calorie level by 1970 is expected to be 8 percent above 1959-61. Consumption of protein and fat is expected to be up 10 and 16 percent, respectively. This indicates an improvement not only in the quantity of food per person but also an improvement in quality.

Expanding population, economic development, and improvement in diets will result in a significant increase in world food trade during the 1960's. Exports of food are expected to increase 37 percent to \$22 billion annually by 1970. The United States will share in this increase with total agricultural exports from the U. S. probably going up to about \$7 billion. An increasing proportion of these exports will go to the diet-deficit subregions and will play an important role in upgrading their diets.

MARKETING AND UTILIZATION RESEARCH UNDER PL - 480

Funds for utilization and marketing research projects to assist the development of expanded dollar markets for U.S. agricultural commodities are available under Section 104(a) of Public Law 480. The projects are administered by the Department of Agriculture through the Foreign Research and Technical Programs Division of the Agricultural Research Service (Up until July 1964, the marketing projects were handled by the Department's Agricultural Marketing Service.)

Since the program was inaugurated in 1958, there have been about 50 grants for research on utilization and marketing of cereal grains, primarily wheat and corn; 30 on cotton and wood; 40 on fats and oils, including oilseeds; 25 on dairy and animal products; and 25 on fruits and vegetables.

The most important criterion in the selection of projects is that they benefit American agriculture. The research is carried out in foreign scientific institutions. The institutions may be government or private research organizations, and colleges and universities. Project ideas may come from within the Department, from foreign research institutes, or from U. S. research and agricultural commodity organizations.

Typical examples of specific utilization research grants are: in Sweden, fundamental investigation of setting reactions for cotton fabrics and gar-

ments; in Japan, isolation, characterization and quantitative determination of the sterols in soybeans; and in Colombia, investigation of the stabilization of flavor concentrates of tropical fruits.

Examples of marketing research grants are: in Finland, studies on residues of insecticides and fungicides applied to different plant products after harvest, and the effects of pesticides on food quality; in Israel, development of a rapid, simple test for protein nutritive value of cereal grains and feeds; and in Spain, basic studies on the constituents of rice influencing quality, and development of objective methods for measuring market quality of raw and precooked rice.

Several cooperators have already taken their research problems to ARS and the Agency would welcome additional market development research projects. Those wishing more information on the program should write to Dr. G. E. Hilbert, Director, Foreign Research and Technical Programs Division, Agricultural Research Service, U.S. Department of Agriculture, Washington, D.C. 20250.

REPORTS WORKSHOP AND FAS-COOPERATOR MEETING

"Writing Useful Reports" will be the theme of a reports workshop and FAS-Cooperator meeting in Washington, December 3. Portions of the program will be devoted to the uses made of reports and the information needed by cooperators, attaches, and FAS/Washington.



A scene at the market development session of the Beirut, November 19-23, Attache Conference. Fifteen U. S. agricultural attaches from Africa, the Near East, and three nearby European countries attended. The honored guests included Senators Allen J. Ellender (La.) and Roman L. Hruska (Nebr.) of the Senate Agriculture Committee; and Congressmen William R. Poage (Texas), Donald R. Matthews (Fla.), Frank A. Stubblefield (Ky.), Ralph Harvey (Ind.), and Charles B. Hoeven (Iowa) of the House Agriculture Committee.

JOURNAL OF MARKETING RESEARCH

In February 1964, the American Marketing Association introduced the Journal of Marketing Research - a new quarterly publication on methodology of research in marketing and its philosophical, conceptual, and technical problems. The subject matter includes the presentation of new techniques and demonstration of different ways in which known techniques can be used to solve marketing problems.

The address is American Marketing Association, 230 North Michigan Avenue, Chicago, Illinois. The subscription rate for AMA members is \$3 per year; for non-members, \$6.

PERSONNEL CHANGES

Eugene Vickers, for the past three and one-half years Director of the Manila office of Western Wheat Associates, has been appointed Operations Coordinator for the Washington office of Great Plains Wheat. He replaces John Farris, who has resigned to accept a similar position with the Rice Council for Market Development.

J. M. Kuhl, presently the Agricultural Attache in Chile, is being assigned as U. S. Agricultural Attache in Brazil. He will be replaced by Waldo Rowan, Program Coordinator, FAS Program Development Division.

EXPORT OUTLOOK FAVORABLE

A continued upward trend in U. S. agricultural exports was forecast by FAS Administrator Ray Ioanes at the annual November Agricultural Outlook Conference in Washington.

In speaking of the export outlook, he said:

"We have a number of export expansion activities underway that we did not have 10 years ago. These are having a favorable impact and they will continue to do so. For example, we have our cooperative market development program in which the Department of Agriculture and 47 U. S. agricultural and trade groups have pooled money and talent to carry out export sales efforts in 67 different countries. The sale of every major American agricultural product is actively being promoted abroad.

"During the current fiscal year 1965, we look for a slight drop in the export total - perhaps down to \$5.9 billion (compared to \$6.1 billion in fiscal 1964). Most of last year's record was solid enterprise and will be maintained. The drop will reflect the fact that Western and Eastern Europe have good crops and are not expected to turn to us for extra supplies, as they did last year. I look on this drop as only temporary.

"By 1970, I fully expect we will move on to a new \$7 billion export

plateau. We have the supplies and the export market will be needing them. Some years ago an export figure of \$7 billion for one year would have sounded fantastic - but all we have to do is look back over the trend of this recent period and it begins to look like a very reasonable goal."

NEW COOPERATORS

California Cling Peach Advisory Board, San Francisco, California, has a market research project in the U. K., Sweden, Denmark, and West Germany, preparatory to beginning a full scale promotion program in Western Europe. The Board is the state promotional organization for California cling peaches and is supported by state funds and a check-off system with growers.

California Date Administrative Committee, Indio, California, has a project to develop markets and carry out promotional activities for California dates in Japan. Much of the activities will be on bakery products in cooperation with Western Wheat Associates. The Committee is the organization administering the Federal Marketing Order for dates in California.

California Walnut Control Board, San Mateo, California, will be conducting a market development survey to determine the possibilities for walnut sales in the Far East and Western Europe. The Board is the organization administering the Federal Marketing Order for California walnuts.

FRUIT AND VEGETABLE SHOW SCHEDULED FOR LONDON

Producers of U. S. fruit, nut and vegetable products will participate in an exhibit for the British food trade at the Trade Center in London, February 23 - March 5.

FAS and the Grocery Manufacturers of America, Inc. will be the co-sponsors of the exhibit. Products eligible for the show are fresh and processed fruits, tree nuts, and vegetables and related products such as soups, pies, and other specialty and convenience foods which principally contain fruits and vegetables.

Tradesmen from throughout the United Kingdom, biggest foreign customers of the U. S. fruit and vegetable industry, will be invited to the exhibit. Last year, sales of U. S. fruit and vegetable products to this market reached a record \$52 million.

PROCESSED FOOD SALES TO BE PROMOTED IN JAPAN

The first full-scale promotion of U. S. processed foods in Japan will take place at the Trade Center in Tokyo, March 8-19.

The exhibit will offer U. S. food processors and their Japanese agents an opportunity to display and demonstrate brand-name processed and packaged food products of all types. Eligible are all canned, dried, frozen, glass-packed, and dry packaged pro-

ducts, including gourmet and specialty items produced wholly or chiefly from U. S. ingredients.

The Grocery Manufacturers of America, Inc. will cooperate with FAS in sponsoring the exhibit. U. S. food firms are being invited to take part.

This will be the sixth agricultural event at the Tokyo Trade Center since it opened in 1962. Previous agricultural shows at the Center - featuring feedstuffs, poultry, leather, fruit, and soybeans - were heavily attended and have brought good results for U. S. exporters.

PARIS SHOW WELL ATTENDED

An estimated 125,000 consumers and food trade representatives visited the U. S. exhibit at the Salon International de l'Alimentation in Paris, November 8-16. It was the biggest display at the exhibition covering 7,500 square feet with separate exhibits for meat, rice, beans, fruit, and honey.

Meat was a highlight of the exhibition. Consumers lined up to sample fondue bourgignonne prepared from U. S. beef, and French agricultural officials and members of the trade attended a meat conference at which George L. Mehren, Assistant Secretary of Agriculture; Herrell De Graff, President American Meat Institute; Carl Newmann, General Manager, National Livestock & Meat Board; and Paul Quintus, Agricultural Attache, participated.

